

Senate Resolution 1195

By: Senator Cagle of the 49th

ADOPTED SENATE

A RESOLUTION

1 Urging the Environmental Protection Division of the Georgia Department of Natural
2 Resources to allow electric generation peaking facilities, which have the capability to fire
3 natural gas or fuel oil and the flexibility to use either fuel throughout the year, assuring the
4 state will benefit from the operation of these facilities when natural gas supplies have been
5 interrupted or are otherwise highly volatile; and for other purposes.

6 WHEREAS, a reliable and affordable supply of energy is essential to the well-being and
7 economic prosperity of the citizens of Georgia; and

8 WHEREAS, Georgia's energy infrastructure and supply were disrupted in the wake of
9 Hurricanes Katrina and Rita in August and September of 2005; and

10 WHEREAS, the damage to Georgia's energy infrastructure demonstrated the importance of
11 a diverse and robust energy supply system not dependent upon a particular fuel or
12 technology; and

13 WHEREAS, on October 3, 2005, Governor Sonny Perdue issued a call for the development
14 of a comprehensive energy plan that encourages greater diversity and reliability of Georgia's
15 energy supply; and

16 WHEREAS, since the late 1990s wholesale and retail prices for natural gas, petroleum, fuel
17 oils, and coal have been increasingly volatile as a result of reduced supplies and growing
18 demand; and

19 WHEREAS, electric generating peaking facilities in this state stand ready to play a
20 significant role in the state's energy plan and portfolio, particularly in times of emergency,
21 fuel supply interruptions, or extreme demand; and

1 WHEREAS, electric peaking facilities serve as a backstop for the regional power grid during
2 events of system upset, emergency, and extreme demand; and

3 WHEREAS, numerous electric peaking facilities in Georgia are each capable of supplying
4 the electricity needs of several hundred thousand households; and

5 WHEREAS, electric peaking facilities are designed to be available on short notice and can
6 operate in a broad range of conditions; and

7 WHEREAS, some electric peaking facilities are designed to utilize natural gas as a primary
8 fuel and have on-site storage for fuel oil as a backup fuel; and

9 WHEREAS, these peaking facilities operate under air quality permits from the Georgia
10 Environmental Protection Division requiring that they be equipped with "Best Available
11 Control Technology" and some of these air quality permits allow the use of fuel oil as a
12 backup fuel to be utilized under specific conditions; and

13 WHEREAS, in order for these peaking facilities to be a strategic energy resource, they must
14 be allowed to operate in a manner consistent with their design, the protection of Georgia's
15 air quality, and contractual obligations; and

16 WHEREAS, the Georgia Environmental Protection Division's rules currently restrict fuel oil
17 use in some peaking facilities by imposing emissions standards that are more stringent than
18 can be achieved by the best available control technology, effectively preventing the use of
19 backup and emergency fuel supplies during much of the hurricane season or periods of
20 extreme demand; and

21 WHEREAS, without the ability to use fuel oil as a back-up in emergencies or periods of
22 extreme demand that occur from May 1 through September 30 each year, the role of peaking
23 plants as energy emergency responders is compromised; and

24 WHEREAS, following Hurricane Katrina, regional natural gas infrastructure was damaged
25 and natural gas supplies were disrupted, affecting many baseload power plants and
26 necessitating the use of peaking facilities to meet load requirements; and

1 WHEREAS, the post-Katrina events demonstrate that the natural gas supply is interruptible
2 throughout the year and operation on backup fuel oil in peaking plants is at times necessary
3 to maintain a reliable electric energy supply for Georgia; and

4 WHEREAS, the air quality in the Atlanta area and Georgia has improved in the last five
5 years; and

6 WHEREAS, given proper control technology, fuel oil operation can be accomplished in an
7 environmentally responsible manner without degrading the air in the Atlanta area or Georgia
8 while ensuring that Georgia and the region gain full benefit from these existing and critically
9 important power generating assets; and

10 WHEREAS, reevaluating the Georgia Environmental Protection Division's restrictions on
11 the use of fuel oil in these peaking facilities will not cause the air quality in the Atlanta area
12 or Georgia to be adversely affected.

13 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE that this body urges the
14 Environmental Protection Division of the Georgia Department of Natural Resources to allow
15 peaking facilities to operate using fuel oil when necessary to assure a reliable energy supply
16 for Georgia, and to develop and present to the Board of the Department of Natural Resources
17 any new rules necessary to ensure that the state will benefit from the operation of these
18 facilities in times of distress or extreme demand.

19 BE IT FURTHER RESOLVED that the Secretary of the Senate is authorized and directed
20 to transmit an appropriate copy of this resolution to the director of the Environmental
21 Protection Division of the Georgia Department of Natural Resources.